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SUBJECT: MEDIA REACTION: ISRAEL, FINANCIAL CRISIS

Editorial Quotes

11. ISRAEL

"Chinese people are sympathetic to the miserable Gaza strip"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(01/08): "China is paying close attention to the Israel-Palestine conflict. This conflict arises much more attention from ordinary Chinese people than the previous conflicts. Some Chinese netizens are severely criticizing Israel, others are criticizing Hamas. Chinese people's sympathy for the weaker side is spreading in China. The Chinese people's support of the Palestinians relies on their sympathy towards the weaker side of the conflict. The people's attention has been focused on the miseries that the Palestinians have suffered. Chinese scholars have indicated that taking revenge on Hamas should not be the excuse used to justify the killing the innocent people. The behavior that Hamas has exhibited is not fighting against Israel's occupation, but inviting it."

12. FINANCIAL CRISIS

a. "Why does the U.S. blame China for the trouble it has made for itself?"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(01/08): "Recently, Secretary Paulson has reversed the right and wrong of the financial crisis. He has begun to blame China. It is very disappointing and surprising that the American Secretary of the Treasury has taken this tact. He said this because the U.S. is in the midst of a power transition. Paulson's comment, made before the Bush administration ends, shifts responsibility for the crisis away from himself and the administration. He has an urgent need to find a scapegoat and has made China that scapegoat. Paulson's comments have aroused attention in the global media, but did not earn applause. Two American economists issued articles on Forbes' website with a clear title Paulson is wrong, so indicating that he is misleading the public's attention and shifting their criticisms away from the Federal Reserve. His comments have received criticisms from many global media sources as well."

b. "The ridiculous behavior of shifting responsibilities"

The official Communist Party People's Daily (Renmin Ribao)(01/08): "The U.S. Secretary of Treasury Paulson mentioned in an interview with Financial Times that part of the reasons for the financial crisis are related to the economic imbalance due to the high deposit rate of newly-emerging market countries like China. This statement is a kin to a situation where one who always borrows money to support his luxurious lifestyle and spends it wastefully, finally goes bankrupt. And, when he goes bankrupt, he blames others because they lent him money in the first place. This logic is ridiculous. It is even more ridiculous that these words were said by the U.S. Secretary of the Treasury, a man with a rich economic knowledge. The

world already has made their conclusions about the reason for the financial crisis. It is a credit crisis based on the failings of Wall Street and the U.S. The factors that caused the global economic imbalance are very complicated. The crisis is primarily due to the economic structure of the developed countries led by the U.S. Paulson's comments show that either, he is ignorant, or he has ulterior motives. Paulson's comments have hurt the Chinese people's feelings. Without China's development, the U.S. wouldn't have had the earnings that it did over the past few years."

c. "Looking at the financial crisis from the political angle"

The official Xinhua News Agency international news publication International Herald Leader (Guoji Xianqu Daobao)(01/08): "Hegemonic bubbles have produced financial bubbles. The financial crisis has been caused by these U.S. hegemonic bubbles. The U.S. hegemony is the biggest political reason for the financial crisis. The Afghanistan war and the Iraq war have been the medium and accelerator of the financial crisis. The financial crisis has driven the U.S.-China relationship closer together. The financial crisis is a necessary reflection of the free and democratic political system and a free market economy. The financial crisis may be a chance for China to change its development model. Strategic thinking is required to deal with the crisis. China should combine efforts in dealing with the crisis, to set up and develop a guarantee system in the social, educational, medical, pension and retirement fields."

RANDT